

Ecommerce Guide To Holiday Shopping

For your business and millions like it around the world, the holiday shopping season is the most important time of the year. Success can translate into serious growth, while failure can set back your entire year. This guide is designed to be an annual resource for planning and executing your holiday shopping strategy. We've broken the process down into 4 simple steps:

Step 1: Prior Year Recap & Teardown

Step 2: Budget Analysis

Step 3: Q1 YoY Comparison

Step 4: Finalize Your Plan



Step 1: Recap/Teardown

We'll begin by pulling together everything you need to review your 2019 holiday marketing efforts, understand what worked (and what didn't) and begin setting the stage for success in the 2020 holiday season.

Budget Review

Marketing around the holidays is a strategy game with your digital marketing dollars. High level questions to consider include:

- What did you budget?
- What did you actually spend?
- How many days (if any) did you run out of budget and leave potential sales on the table?
- If you budgeted by marketing channel, what shifts occurred along the way?

Recap 2019 Holiday Strategy & Goals

Hopefully you have campaign briefs, plans and other documentation that clearly illustrates what your 2019 strategy was (or have a photographic memory) and can detail the following:

- Target sales/revenue
- Budget/channel breakdown
- Landing Pages used
- Offer
 - What was it? (\$ or %)
 - Promo Code required?
 - Banner/Modal?
 - Hero product? (if any)

It's important to document everything in one place while it's relatively fresh in your mind. It's helpful to review what your goals were throughout the customer journey from impression, to site visit to purchase (or abandoned cart). By performing this exercise we set ourselves up for all of the next steps to come. Don't skimp the data gathering and strategy recap! If you're struggling to pull together all the details, start with what you know and then work on filling in the gaps. Anything that can't be measured or found in reporting should be added to your to-do list for 2020.

Construct & Review Your Holiday Scorecard

Creating a scorecard for campaign performance can take any form, but if you want a little help in the design try [#11 on this list of templates from Hubspot](#). The main thing we want to accomplish is having ALL of our primary and secondary KPIs tracked, inclusive of both marketing and business metrics. This means a scorecard to report on holiday performance shouldn't just be as simple as this:

Impressions	Clicks	Spend
x	y	z

You need more than the basic marketing metrics to understand campaign success. Try organizing your scorecard like this.

1. Show results by channel. Having raw data in other tabs to refer to when needed and using formulas in your scorecard to pull it all together is very helpful.
2. Compare data YoY (If available)
3. Have a flow from top level media metrics like impressions & clicks down to lead and revenue metrics.
4. Use colors, borders, and conditional formatting to clearly illustrate wins or areas of concern.

By having already reviewed/written out budgets, goals and the overall strategy in the previous sections you should be able to construct the scorecard with the needed data to show how successful the holiday was. Upon review, try to determine the following:

- Was the target budget hit? Exceeded?
- Did we over or under-perform on media metrics? Sales metrics?
- Did our marketing function as planned or were there strategic errors made?

Answering these questions can be uncomfortable, but this is intended to spark honest conversation and reflection on any mistakes made while highlighting wins that can be duplicated in the future. The process of documenting goals and following through on measuring performance against them is essential to successful marketing. It's tempting to move the goal posts after a campaign is over but it won't help you in the long run.

Our client Christmas Cottage Lights came to us in September with a clear objective, increasing sales for the upcoming holiday season through increased quality organic traffic (the holidays aren't ONLY about ad dollars) and conversion optimization. By planning ahead and partnering with Gemini to create a clear strategy for performance, outstanding results were reached including a 62% year-over-year increase in purchases from organic search.

How to Approach a Teardown of 2019

There's a trendy practice in the marketing world called a teardown. A marketer that wasn't involved in a campaign provides an analysis of how the brand ran it's campaign, what worked, and what didn't. The perspective part is key. Having an unbiased and fresh set of eyes can help make connections that weren't apparent before. When evaluating your own efforts, it's important to be open to feedback, and ready to collaborate with others to improve your future holiday marketing efforts.

How can you do this constructively and what steps might there be to effectively complete the process? Ideally, your team already has a great working relationship and understands how to communicate in a manner that says what needs to be said without being offensive. To be safe try laying some ground rules for how the discussion should unfold. For example, say you start off the session by having each team member present the strategy for the channel they managed and how it was executed before having a 5 minute brainstorming session; a rule could be to formulate ideas in a certain manner such as:

“In the (email) strategy where we did X I feel it might have been even better to do Y because Z. What does everyone think?”

Setting ground rules should help. Here is a basic step framework to consider:

1. Determine how data/strategy should be reviewed.
 - Individuals present or send in slides to be reviewed by the team beforehand?
2. Set the format for brainstorming. (Group or individually via shared documents?)
3. Establish any ground rules to keep discussion civil and constructive.
4. Plan how to keep the atmosphere relaxed and fun. Remember, you’re tearing down your strategy, not your teammates.
 - Music?
 - Snacks?
 - Break for drinks?
5. Clearly think through the path forward after a teardown session and share it with the team.

Conducting a teardown of your own efforts may seem like a big task, but if your team is up to it you’ll see amazing results when applying your findings the next holiday season.

Step 2: Planning Your 2020 Holiday Marketing Budget

How do we objectively look at holiday spend and identify where we could have turned it up more? Let's review a few clues, why this is important and what to do as a result.

If your channel budgets shifted from the original plan, what does that mean? We'll review how to have a thoughtful conversation around how this unfolded live. Then we'll determine if these same shifts would have been made in hindsight, and if the total budget was sufficient to spread across all our channels.

How to Spot When You Could Have Spent More

This subject is more applicable to search, where the amount of available impressions versus what you delivered gives us a much better look into what happened. Let's review the metrics and methods available to us.

Impression Share

Google has made a concerted effort to make it easier for marketers to get a sense of the scale possible in advertising and to make Google Ads the best channel for you to invest in. In order to do that they have to push improvements out that a) make Google ad spend more effective, and b) make it easier for us as marketers to see "how high is up?". Metrics like Search Impression Share, Top Impression Share and Absolute Top Impression Share are ways Google provides a more complete picture of what was going on with our keywords. If we served 100,000 impressions and spent \$1,000 in advertising with a 10% impression share, in theory we could have spent up to \$10,000 on those terms.

You will not be able to reach 100% impression share in most instances and not all of rank/delivery is based on budget, but by looking at impression share you'll be able to get an idea of what you didn't spend.

Click Share/Relative Click Through Rate (CTR)

This is a similar approach to using impression share to understand what you could've spent but from a different angle. Looking at these two metrics, we can get an understanding of the quality of our ads and how that impacted spend. If you have a low relative CTR, or have a click share lower than your impression share, this is an indicator of a potential problem with your ads. You were showing enough impressions to potentially spend more but there was something that stopped you from getting more clicks. With Expanded Text Ads you would refer to the different components of your quality score to look for ways to improve ad performance. Similarly, with Responsive Search Ads Google gives you an Ad Score that can inform your optimizations.

Do you need to add more headlines? Are you using enough keywords in your headlines and descriptions?

Google will tell you if you look! Take this as an alert from Google to rewrite ad copy, test out different benefit statements and CTAs, or make sure you have the proper ad extensions in place.

Social & Display

In paid social and display we are able to spend almost unlimited amounts of money if we want. We constrict spend by narrowing targeting and setting a budget. Audience targeting is very different from the metrics outlined above.

Marketers often use lead generation or purchase data to gauge the impact of these channels. By conducting tests in market clusters you can use location data as well. If you have a more sophisticated attribution model in place for gauging effectiveness of upper funnel marketing, even better. Once we are comfortable with the impact that social and display ads are having on revenue and the overall business, we can start to make determinations about how much we can loosen audience targeting restrictions and begin to see how far we could actually push these awareness channels.

Broadening targeting can cause large shifts in campaign performance; however, there are ways we can approach this in a thoughtful manner. For example, we mentioned using clusters of markets to measure impact of social or display advertising – we can use this same approach but use our historical audiences in one cluster and the new, broader audience in the other testing cluster and compare performance (clicks, leads, cost per lead) to gauge which is more effective.

Reviewing Channel Budget Shifts

Plans are almost never perfect, things always change along the way if you are actively managing your campaigns as you should be. After the fact what can we do to make this budgeting process even better for the next holiday?

Were there differences? Why?

It's straightforward to compare planned channel budgets vs actual spends and highlight where there are differences. Now that we have this clearly written out, we can circle back to the WHY. Did the team document (or can you ask them) why a budget change occurred during the campaign? Did the changes have the intended results? Common examples would be a) there were fewer available impressions in search than expected, or b) higher CPC than planned in social. These are all valid reasons. The point of this exercise is to force ourselves to examine what was done and why to facilitate the next conversation.

In hindsight, were these shifts the right move? Why?

Let's say for example that we shifted \$5,000 from our total budget away from Facebook and into Google Search. Google was showing a better return than expected and there was room to scale. That reasoning is a perfect case for making a budget shift; however, now we can use the power of hindsight. What was the result of this change? Did we see an increase in performance from it or can we determine that the Facebook ads, while less efficient in driving conversions directly, were indirectly boosting the performance of other channels, including search? Unintended consequences will occur along the way during a campaign, use this time to understand if there were any to better prepare for 2020!

Can we identify if total budget was enough? Or too much?

Along the way we have now reviewed three things: 1) where our daily budgets may have been insufficient in search, 2) how we could determine if our social spend could have been higher and 3) reviewed budget shifts during the campaign. Let's touch on one last step. Was the total budget enough for us to achieve our goals?

Try reviewing each step:

- If budget shifts occurred and were net positive → Use the actual budgets for channels as your starting point
- If budget shifts occurred and did not increase performance → Use the previously planned budget as a starting point
- If daily budgets in search were insufficient → Increase daily search budget
- If social/display performed well and needed more → Increase social/display budget

After this process we can begin to make adjustments to spend based on the environment and our goals. If business goals are more aggressive this year or a new competitor is eating into market share these should be added on top of the adjustments we just made.

Bringing it All Together

Budget is one of the fundamental building blocks that has a huge impact on the success of what you're doing as a marketing team. It can be all too easy to just use a dollar amount that feels comfortable or "adds up right". By performing a full examination of the process you should be able to do even better during holiday 2020.

Step 3: YoY Q1 Comparison

Now we're going to extend analysis of your holiday marketing effort to a Q1 year-over-year comparison. When we look at Q1 business figures in 2020 do we see an overall lift when compared to the previous year? The goal here is to establish what total impact there may have been from the holiday campaigns we ran. Were we able to drive net-new leads/sales and show sustained growth or can we identify if the campaign cannibalized business that would have happened later in Q1? This may not be an easy analysis, but as with other tasks we've been talking through in this series the process itself can be a useful experience for you when preparing for the 2020 holiday season.

Reviewing Channel Budget Shifts

Depending on your business, compiling the proper information may be really easy or kind of challenging. If you're an ecomm store pulling sales figures from Shopify it will be very straightforward to find your sale data from Jan 1 to March 31. If you're a B2B company it may require working with your finance/accounting or sales teams to identify volume of closed and open leads to estimate revenue. Have that revenue for this year? Perfect! Perform the same exercise for 2019 so we can have Q1 data for both years, then we can move on to the analysis.

Comparing Your Q1 Data

Don't overcomplicate this, but let's go through this in a few scenarios with example figures:

2019 - 2020

Holiday Ad Budget: \$50,000

Holiday Revenue: \$350,000

2020 Q1 Revenue: \$1,000,000

2018 - 2019

Holiday Ad Budget: \$35,000

Holiday Revenue: \$350,000

2019 Q1 Revenue: \$900,000

In the above scenario we invested \$15,000 more in 2019 holiday ads vs 2018 holiday ads and the Q1 total revenue was \$100,000 higher. If this was the case we wouldn't necessarily draw a direct correlation between the increased holiday advertising and higher Q1 overall figures but this serves as a jumping-off point for us to take a deeper look at what happened. Did our leads around holiday time go up from the previous year? Were we running any Q1 marketing efforts that were new and may have driven the increase? Was there one huge sale? These are the kinds of questions to ask.

That's a simple way to compare YoY performance. The second more difficult question to consider is, can we tell if holiday sales were net new or if we just closed leads/sales that would've closed over Q1 anyway? Let's look at one example approach to determining an answer.

Google Analytics Returning/New Users

Under Audience > Behavior you will find a really great report called New vs Returning.

Here we'll be able to see all our typical site metrics such as sessions, session duration and conversions/conversion value broken down by new and returning users.

This is valuable because it tells us how many of your goal completions or sales came from trackable returning visitors. As we mentioned above this is not perfect, but it gives you a very solid starting point to determine how many sales were likely from brand new customers during your holiday promo. Similar to our B2B example above, comparing data between date ranges (pre-holiday, holiday, Q1) can also shed light on how much difference your promos made.

NOTE: This information is not perfect, Google Analytics is not going to be able to track everyone cross-device and you should consider this information to show returning users as people who have had multiple sessions on the same device within a 28 day period.

Final Thoughts on Q1 YoY Review

How does this help lead to a great 2020 holiday strategy? We've already dug into performance and strategy recaps and budgeting. Now we're taking a look at the bigger picture around our last holiday to see the cumulative impact. By performing these exercises you are better able to make informed decisions about what your 2020 holiday ad campaigns should look like. You may want to offer 25% off new subscriptions but if the numbers show that a large proportion of new revenue coming in from holiday promotions was from existing customers buying at a discount, use that to tailor your promotions to give them the best experience possible.

Step 4: Finalize Your Plan

To begin planning what advertising will be required this holiday we need to set tangible goals. In 2020 that might mean a return to pre-COVID sales levels. We recommend taking the holiday sales numbers from the last year and comparing them to the previous non-holiday monthly average. Then take that percentage increase and apply it to whatever you're seeing in average monthly sales right now. That still represents a push from where your sales have currently been but is likely more realistic given the current state of the market.

Be sure to also be thoughtful about which of your products or services makes the most sense to focus on. In the past you may have used holiday marketing to promote discounts on your most expensive products, but in 2020 does that still make sense? The point is to take extra care in determining what your offer will be to achieve your sales goals given what we know about changes in consumer habits this year.

Define Channels to Use

Let's start with an example: You're focusing on some new product offerings and expect to need a larger investment in awareness. The target audience is 18-24 and you typically invest in social media for the first touch, leading to display retargeting, search, and other tactics for mid/low-funnel conversion optimization.

What is the best way to use advertising dollars to reach your sales goals? Determining channel strategy will go a long way towards understanding your budget requirements. You likely have a core set of advertising platforms you use (ex. Google and Facebook/Instagram) but now might be the right time to consider adding new channels to the mix.

If you want to extend your advertising to a slightly younger demographic let's discuss adding Snapchat and TikTok. Does your audience love podcasts? Those actually aren't that hard to sponsor. Have you been putting off influencers? It's time to act.

Have a serious discussion about what channels could be used to reach your audience, convey the right message and get people excited. Once that is completed it's time to determine where each channel fits, the creative requirements and budget.

Full-Funnel Holiday Marketing Planning

Here's another scenario: You need to generate \$1M in revenue this holiday and have decided that your lowest price point items (a collection of kids building sets that sells for \$49 regularly and offers upsell opportunities into other products) will be your main focus in ads marked down 25%. You can realistically expect \$400,000 in organic and direct channel sales and another \$150,000 in email and affiliate channels, leaving a gap of \$450,000.

Average conversion rates for new site visitors: 1%

Assuming no changes to the metrics above you would need to drive a little over 1.2M new site visitors to achieve your goal. This should be the worst-case scenario.

Within this ROI model there are some levers you can potentially pull that will affect your new site visitor goal. How can you increase the conversion rate for new visitors? Is your site capable of up/cross-selling to improve average order value or do you need to build out a new email workflow or evaluate new marketing automation tools to add to your store?

Budgeting By Channel

In this scenario, a channel budget might look something like what we've outlined below. Built-in assumptions include a \$100,000 marketing budget and a requirement to assemble a full-funnel campaign with significant investment at each step of the way. Clicks are estimated for each platform based on "historical" performance of your campaigns. We're also anticipating a lift in conversion rate to account for the gap between our worst-case performance scenario and expected optimization activities on your site.

Top of Funnel

Instagram Reach Video Campaign: \$30,000 ~ 150,000 Clicks

YouTube TruView: \$10,000 ~ 70,000 Clicks

Display Ads: \$10,000 ~ 150,000 Clicks

Mid Funnel

Instagram Reach Video Retargeting: \$10,000 ~ 100,000 Clicks

Display Retargeting: \$10,000 ~ 230,000 Clicks

Bottom of Funnel

Instagram Reach Post Engagement Retargeting: \$10,000 ~ 100,000 Clicks

Google Search: \$10,000 ~ 20,000 Clicks

Now, these are all projections and as marketers, we KNOW that nothing ever goes perfectly to plan. You may run into one of these example situations:

Scenarios for Budget Change

You come into work on Monday after the second week of the campaign and find that your Instagram ads (which had been performing right on target) have started to drop in Click Through Rate (CTR), meaning that our site visit projections are off now. Let's try shifting some budget to YouTube while we work on new ad variations and a new test audience to evaluate how we can increase CTR again.

Lower funnel efforts are not scaling as expected due to lighter than anticipated search volumes. What do you do? Don't panic. If you're finding that paid search and other mid/bottom-funnel efforts are not driving sales we likely have a leak in the funnel (ie a weak point where our top-funnel audience is dropping off). Cut top-funnel campaign spends while you work through finding leaks with your analytics team to identify what steps can be taken to lead more potential customers down-funnel, then crank it back up.

Ad campaigns, especially during the holiday season, are not static. Your team should be game planning potential outcomes and have a plan in place for how to react if performance varies from projections.

Measuring Success

At this stage of your holiday marketing planning process you've now determined goals, a budget for holiday 2020, and the strategy by channel to achieve it. In the previous section talking about scorecards and recapping performance we talk through the basics of holiday scorecards and link to templates you could use to develop your own. It's now time to finalize your scorecard for this upcoming holiday campaign. Based on the channel strategy and budgets what metrics might you need to be tracking? Will you need a scorecard that shows spend, impressions, clicks, and sales by source?

If that's a far cry from where you've been in the past, now is the time to get moving! Everything we discussed here won't provide much value if you don't put the effort in to measure success and gather data during the campaign. Feeling overwhelmed? Reach out to your friends at Gemini, we can help fill in any gaps you're struggling with.